



## NATIONAL LAMB FEEDERS ASSOCIATION

Transmitted via facsimile:  
(202) 720-3499

April 9, 2002

Country of Origin Labeling Program  
Agricultural Marketing Service, USDA  
Stop 0249, Room 2092-S  
1400 Independence Avenue, SW  
Washington, D.C.  
20250-0249

Re: Federal Register: October 11, 2002 (Volume 67, Number 198)  
**Docket Number LS-02-13**

On behalf of the membership of the National Lamb Feeders Association (NLFA), I would like to submit the following comments with respect to the above noted Federal Register notice. As contained in this particular notice, the U.S. Department of Agriculture, Agricultural Marketing Service (AMS) is proposing to establish "Guidelines for the Interim Voluntary Country of Origin Labeling of Beef, Lamb, Pork, Fish, Perishable Agricultural Commodities and Peanuts." Authority for such action is provided pursuant to the Agricultural Marketing Act of 1946, as amended by The Farm Security and Rural Investment Act of 2002 (Public Law 107-171).

With respect to the proposed guidelines, attached is a copy of the resolution adopted by the membership of NLFA during their Annual Meeting on March 15, 2003. As adopted, the resolution identifies the policy direction of the NLFA regarding the voluntary Country of Origin Labeling guidelines (COOL). In accordance with the resolution, the NLFA has taken the express position that the U.S. Department of Agriculture, Agricultural Marketing Service should place a three-year moratorium on the implementation of the COOL guidelines.

While the membership of the NLFA agrees the marketing of a lamb product labeled, "American Lamb," may prove beneficial for the domestic industry, the costs associated with the proposed guidelines, both direct and indirect, may prove to be excessive and overly burdensome.

Program costs may be most immediate with respect to record keeping. In accordance with record keeping requirements, "Every person that prepares, stores, handles, or distributes a covered commodity for retail sale must keep records on the country of origin for a period of at least two years." Additional provisions contained in subsections

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B through F of this same section place additional requirements on retailers and suppliers. In light of the proposed requirements, the NLFA firmly believes the AMS should carefully review and reevaluate anticipated costs before proceeding with the proposed guidelines.

The estimates developed by the AMS place the annual record keeping costs of the COOL guidelines at \$1.97 billion for the first year. As the impact of implementing and maintaining the voluntary COOL guidelines is understood, it is evident the costs of providing an "auditable" record keeping system or insuring the separation of product throughout the processing chain will result in substantially higher costs of production. The membership of NLFA is seriously concerned about this financial burden and the fact that domestic producers, not importers, will be more severely impacted.

The domestic lamb industry attempted to obtain information through the Mandatory Price Reporting (MPR) program which would enable the industry to compete with imports from Australia and New Zealand. In the final analysis, the information gained through MPR does not assist the domestic lamb industry and, in fact, has even resulted in less information being made available.

The intent of original country of origin labeling provisions was not to require a burdensome identification system for each and every animal marketed under the mandatory program; rather, the law was intended to help the meat industry market its products. From the standpoint of the lamb industry, the implementation of the COOL guidelines is clearly on the way to being as counter productive for the industry as Mandatory Price Reporting program has become.

Specifically with respect to the voluntary guidelines, the proposed definition of "covered commodity" would include ground beef, lamb and pork. Within our existing marketing channels, an extremely limited amount of ground lamb would contain both domestic and imported product. This is significantly different from the beef and pork industry. To this end, we encourage the AMS to reevaluate the inclusion of "ground lamb" as a covered commodity.

Addressing proposed terminology defining "United States country of origin" for lamb, the guidelines state, "From animals born, raised, and slaughtered in the United States". During the 2003 Annual Meeting, representatives of the NLFA thoroughly discussed the terminology and concluded the strict standards of the proposed guidelines may serve to reduce or severely restrict the exportation of live animals or meat products from the U.S. to either Mexico or Canada.

In summary, the NLFA would strongly encourage the U.S. Department of Agriculture, Agricultural Marketing Service to place a moratorium on the proposed guidelines for the Interim Voluntary Country of Origin Labeling of Beef, Lamb, Pork, Fish, Perishable Agricultural Commodities and Peanuts. We do not believe this moratorium would

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adversely impact consumers of these commodities and will allow time to reconsider the intent of the original legislation and evaluate the severe burden that will be placed on the domestic meat industry with the implementation of the proposed guidelines.

Thank you for your consideration.

Sincerely,

A handwritten signature in black ink that reads "Cleve Dumdi". The signature is written in a cursive style with a large, looped initial 'C'.

Cleve Dumdi  
NLFA President

enc.



# NATIONAL LAMB FEEDERS ASSOCIATION

## **National Lamb Feeders Association Resolutions Approved March 15, 2003**

### **Country of Origin Labeling**

**WHEREAS**, the Country of Origin Labeling guidelines do not address the USDA grading of foreign lamb meat, which is a major concern for the NLFA; and

**WHEREAS**, much of the foreign lamb product is now being labeled with the Country of Origin as a marketing tool and the U.S. industry has developed a new American lamb logo to help differentiate domestic product; and

**WHEREAS**, in contrast to the pork or beef industry, there is very little ground or processed lamb meat entering the U.S. which could be mixed with domestic lamb product; and

**WHEREAS**, the domestic lamb industry has no way of determining the financial and operational impact of the Country of Origin guidelines at this time; and

**WHEREAS**, the domestic lamb industry has a history of well intentioned programs becoming counter productive, such as the Mandatory Price Reporting program; and

**WHEREAS**, implementing the Country of Origin guidelines may well have a negative affect on the exportation of live animals and meat to Canada and Mexico; and

**WHEREAS**, the delayed implementation of the Country of Origin guidelines will not have any negative effect on the domestic lamb industry and a delay may offer industry leaders the opportunity to study the effects of Country of Origin guidelines on other meat;

**BE IT RESOLVED** that NLFA strongly urges the USDA, Agricultural Marketing Service to impose a three-year moratorium on the implementation of any Country of Origin guidelines.